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# **Canada**

## **Agricultural Situation**

### **This Week in Canadian Agriculture, Issue 24**

### **2002**

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#### **Report Highlights:**

"What's New, Eh?" \* Study Shows Nutritional Content of Organic Food No Different

\* Cattle Industry Uneasy over Possible U.S. Curbs on Canadian Cattle Exports Due to Bovine Tuberculosis

\* Sask Wheat Pool Urges the CWB to Advance Tendering Process Beyond 50% \* Still Dry in the Prairies \*

Drought Forcing Cattle Sales \* Honey Bee Smuggling Continues \* Quebec Beer Drinkers Get New U.S.

Brew \* Canadian Dairy Consumers Continue to Get a "Good Deal"

...and MORE!

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Ottawa [CA1], CA

This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives. Substantive issues and developments are generally also reported in detail in separate reports from this office.

Disclaimer: Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

**EDDY SHOWS NUTRITIONAL CONTENT OF ORGANIC FOOD NO DIFFERENT:** In a study commissioned by the *Globe and Mail* and the television network CTV, organically grown crops were no more nutritional than conventionally grown ones. As part of the study, food researchers at the University of Guelph bought organic produce from a Toronto health-food outlet, analyzed them, and compared the result with tables produced by Health Canada on the nutrient content of common foods. There were some differences but, overall, nutrient levels were similar in the organic and conventional foods. "In terms of nutritional content, there is virtually no difference," said Dr. Phil Warman, an agronomist and professor of agricultural sciences at Nova Scotia Agricultural College who has grown organic and conventional crops on a test farm for 12 years, with similar results. "I know this is disappointing for organic growers to hear this and probably for the consumer who has been led to believe the food is nutritionally superior," said Warman. However, according to the *Globe and Mail*, Canada has more than 285,000 hectares dedicated to organic farming, making it the fifth-largest producer in the world. Agriculture Canada predicts the once marginal industry will generate revenues of C\$3.1-billion a year by 2005. Organics have become quite mainstream in Canada, with grocery chains such as Loblaw's, Sobeys and Safeway setting aside ever-larger parts of their produce sections for organics, and natural-food stores expanding rapidly.

**CATTLE INDUSTRY UNEASY OVER POSSIBLE U.S. CURBS ON CANADIAN CATTLE EXPORTS DUE TO BOVINE TUBERCULOSIS:** Late last year, testing confirmed that a culled cow shipped to a slaughter plant in Minnesota and believed to be from Manitoba, had bovine tuberculosis. According to press reports, Canadian cattle producers are anxiously waiting to see how USDA reacts to bovine tuberculosis in Manitoba cattle and they expect new USDA regulations concerning Manitoba cattle exports - possibly even all Canadian exports - within the next few weeks. Rob McNabb of the Canadian Cattlemen's Association in Alberta told the Canadian Press that his group doesn't expect countrywide restrictions but can't rule out the possibility. "Never say never," he said Monday. "You always have the 'what ifs.'" He believes the most likely scenario would be U.S. restrictions on cattle coming out of Manitoba. In December 1998, an elk that died naturally in Manitoba's Riding Mountain National Park tested positive for bovine TB. As a result, Manitoba Conservation, Parks Canada, the Canadian Food Inspection Agency, and Manitoba Agriculture and Food have undertaken a bovine TB surveillance program in the western part of the province.

#### **SASK WHEAT POOL URGES THE CWB TO ADVANCE TENDERING PROCESS BEYOND 50%:**

According to a release from the Saskatchewan Wheat Pool (SWP), the Canadian Wheat Board (CWB) and the grain handling industry should strive to move toward tendering up to 100% of shipments of CWB grain in the 2002/03 crop year to maximize savings for farmers. "Saskatchewan Wheat Pool encourages all players in the grain handling and transportation system to set a goal of 100% tendering this crop year to lessen the impact of drought and low prices," said William Hill, Sr. Vice President of SWP's grain handling and marketing operations. In a Memorandum of Understanding with the Canadian federal government dated June 5, 2000, the CWB committed to tendering at least 25% of its export program in 2001/02 and at least 50% in the 2002/03 crop year. According to the CWB, tendering has delivered better than expected savings for producers and created a more competitive grain handling and transportation system. "Under the MOU, 50% is only the minimum figure," said Hill. "By moving to a larger percentage, the industry will have to be more disciplined in the management of their grain logistics. The CWB can do their part by maximizing the tendering process and modifying the car allocation rules to support a fully commercial grain transportation system."

**STILL DRY IN THE PRAIRIES:** According to *Agriweek*, near-record hot, dry weather across western Canada over the Canada Day weekend and for several days thereafter pretty much finished off crops in the worst drought area, which extends west of Saskatoon to mid-eastern Alberta. The dry belt is centered around Rosetown and includes as much as 15-20% of total prairie crop acreage. This area already has a crop failure and no amount of rain now can bring crops back. Crop insurance claims are being filed in large numbers in west-central Saskatchewan and

eastern Alberta and entire townships have been written off by crop insurance agencies. Other serious trouble spots are in northeastern Saskatchewan and northern Alberta. However most crops are doing remarkably well along the U.S. border and in most of Manitoba. Only scattered showers fell during the week, but often were sufficient to keep crops alive through the heat wave. More warm weather was predicted for the coming week, though many areas also had reasonable rain chances. Extremely hot weather helped advance crops in the eastern and northern Ontario corn-soybean belt, but crops on lighter soils suffered heat stress. However spring cereals and winter wheat are good with wheat harvesting about to begin in the south.

**DROUGHT FORCING CATTLE SALES:** According to news reports by the Canadian Broadcasting Corporation, the drought in many parts of Western Canada this summer is already forcing some Alberta ranchers to sell off some of their livestock. According to the provincial department of agriculture, Alberta surface soil moisture is rated 35% as poor, 35% as fair and 30% as good/excellent. The sub-surface soil moisture is rated 50% as poor, 20% as fair and 30% as good/excellent. A lack of tame hay growth and poor pasture condition remain major concerns to many producers. These factors, in addition to the current high prices of feed grains and forages, have producers reducing or considering reducing cattle herds. There are also reports of hay fields being grazed and cattle still being fed (supplementary feeding). Provincially, pasture is rated 60% as poor, 20% as fair and 20% as good/excellent, while tame hay is reported 50% in poor condition, 20% in fair condition and 30% in good/excellent condition.

**CANADIANS CONFIDENT ON BENEFITS OF INTERNATIONAL TRADE:** According to the results of a survey of Canadian attitudes toward international trade released from the Canadian Department of Foreign Affairs and International Trade (DFAIT), more than 82% of Canadians feel that, over the past ten years, international trade has contributed significantly to the Canadian economy. "The results say a lot about the growing importance that Canadians attribute to international trade and its benefits for our country's economy," said Minister for International Trade Pierre Pettigrew. "The survey underscores the confidence of Canadians, a confidence that comes from our ability to do business on world markets and compete with anyone. A majority of Canadians (69%) believed that Canada should strive to find new markets for its products and services. Canadians see trade as holding forth possibilities for Canada in the form of job creation and the development of technology and innovation. They are also confident that a more open trading system will create business opportunities for Canada and will benefit developing countries, giving them greater opportunities to improve their quality of life.

**HONEY BEE SMUGGLING CONTINUES:** According to the Western Producer, U.S. live bees continue to be smuggled into Alberta by Canadian beekeepers. This spring, Canada Customs officials intercepted illegal bee importations at Alberta border crossings (see CA2066). Two "smaller importations" of bees were recently discovered by Canada Customs and rumors persist that the illegal shipments are continuing, said Brian Jamieson, senior veterinary officer for the Canadian Food Inspection Agency (CFIA). Canada has banned imports of live U.S. bees since 1987 due to the presence of varroa mite in certain U.S. states. In 1993, Agriculture and Agri-Food Canada permitted the resumption of the importation of queen bees from Hawaii. In 1999, the GOC extended the ban until December 31, 2004. "It's partly a protest," said Mark Winston, a beekeeper and professor of biological sciences at Simon Fraser University in British Columbia. "This group believes the quarantine is not in the best interests of Canadian beekeeping." However, the CFIA is reportedly concerned that the U.S. beekeeping industry is not as stringent in its surveillance and control of diseases and parasites. Other provinces do not want the restrictions removed, Jamieson said, and it would be difficult to remove the restrictions only for Alberta, since bees imported there would pay no heed to provincial boundaries.

#### **NEW ENVIRONMENTAL MANAGEMENT STANDARD FOR HOG OPERATIONS BEING**

**DEVELOPED:** A cleaner, safer environment in and around Canadian hog operations is the goal of a new voluntary national standard being developed with the help of the federal government which has contributed C\$600,000 to the Canadian Pork Council's (CPC) National Environmental Management System Initiative. The CPC has contracted the Canadian Standards Association to help guide the industry through the process of developing the standard. "I congratulate the Canadian Pork Council for its initiative in developing a national environmental standard for hog operations," said federal agriculture minister, Lyle Vanciel. "This initiative is the first by a national commodity organization to work towards a goal that will help make Canada first in the world for environmentally responsible production, innovation and food safety." CPC President Edouard Asnong praised the announcement of additional funding to develop the standard. "Our goal is to provide hog farmers with a financially viable, practical, and verifiable standard which will complement existing environmental policies, laws and regulations," he said. "We want to reassure the public about Canadian hog producers' commitment to and respect for the environment."

**QUEBEC BEER DRINKERS GET NEW U.S. BREW:** Molson, founded in 1786, and North America's oldest beer brand, announced this week that it will introduce an all new Miller Genuine Draft (MGD), in Québec. MGD is a 4.7% alcohol content lager brewed in the United States by Miller. This new beer will be sold in six-packs of clear, 355 ml bottles. "No high temperature pasteurization is used in the MGD brewing process, which gives the brand a unique, smooth, draught beer taste," stated Stéphanie Day, Assistant Brand Manager for MGD. "We are convinced that this latest import will prove popular with Quebecers", she added. Beginning this week, an advertising campaign will run throughout Québec. Consumers will also be able to sample this new beer during taste-testing sessions in grocery stores and bars all throughout the summer. Molson is one of Canada's largest brewers with more than C\$3.5 billion in annual sales. For more information on the market for U.S. beers in Quebec, see CA2037, the *Quebec Beer Industry Overview* prepared by the U.S. Foreign and Commercial Service office in Montreal.

**CANADIAN DAIRY CONSUMERS CONTINUE TO GET A "GOOD DEAL":** According to the annual Dairy Farmers of Canada (DFC) survey conducted in June, Canadian consumers continue to have access to quality dairy products at very reasonable prices. This latest cross-border pricing survey reveals that consumers pay 21.3% less for a nutritional basket of dairy products in Canada than for the same basket of dairy products in the U.S. "This is good news!" said Leo Bertoia, DFC President. "Supply management continues to deliver quality milk and milk products at reasonable prices." The Consumer Price Index (CPI) indicates that, since 1992, prices of dairy products have not risen as much as the average price for food in general (15% vs. 17%). DFC looks at four different baskets of dairy products in its surveys. The nutritional basket of dairy products was put together by Agriculture and Agri-Food Canada (AAFC) in 1991. This basket contains a variety of commonly purchased dairy products including cheese, milk, butter, yogurt and ice cream. DFC has added three other baskets of dairy goods to reflect different buying patterns: typical product purchases of DFC staff, typical family expenditures (used by Statistics Canada to calculate CPI), and a simple average of all products. These additional baskets have also shown similar results.

**SOUTH DAKOTA WANTS CANADIAN DAIRY FARMERS:** According to the July 10 edition of *Canadagriculture Online*, the South Dakota International Business Institute, in an advertisement in an July Ontario farm paper, makes a strong pitch for Canadian dairy farmers to move south. "Are you interested in a dairy environment without quota?" the ad asks. "And in low land prices, no state income taxes, an ideal dairy cow climate, sensible regulation and permit processes, high demand for milk, and ample expansion and financing opportunities?" If the answer to those questions is yes, then the ad suggests considering South Dakota. It explains that the state needs 65,000 more dairy cows to supply a new cheese plant now under construction.

**USDA AGRICULTURAL MINISTER-COUNSELOR FOR CANADA POSTED TO BRUSSELS, EU OFFICE:** Norval Francis, Jr., Agricultural Minister-Counselor with USDA's Foreign Agricultural Service (FAS), will be concluding a four-year posting with the U.S. Embassy in Ottawa, Canada on Friday, July 12. Mr. Francis will assume leadership of FAS's European Union operations in Brussels, Belgium, as agricultural minister-counselor, starting August 30, 2002.

**Did You Know...** that the CWB has been in existence for 67 years? On July 5, 1935, the Canadian Wheat Board came into being to give western Canadian farmers more international grain marketing "clout."

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Report Number	Title of Report	Date
CA2082	This Week in Canadian Agriculture, Issue 23	7/05/2002

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